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Prices to Producers In 1965 Likely Near 1964 Levels

The Dairy Situation — USDA, November 1964

The parity index, used to calculate support levels for manufacturing milk and milkfat, has been stable since dairy supports for the current marketing year were announced last spring. Therefore, legal minimum support for these products in 1965-66 is expected to be near this years level — \$3.15 per 100 pounds for milk (3.75 percent milkfat) and 58 cents per pound for butterfat. Actual support levels for the marketing year beginning April 1, 1965, will be announced before that date.

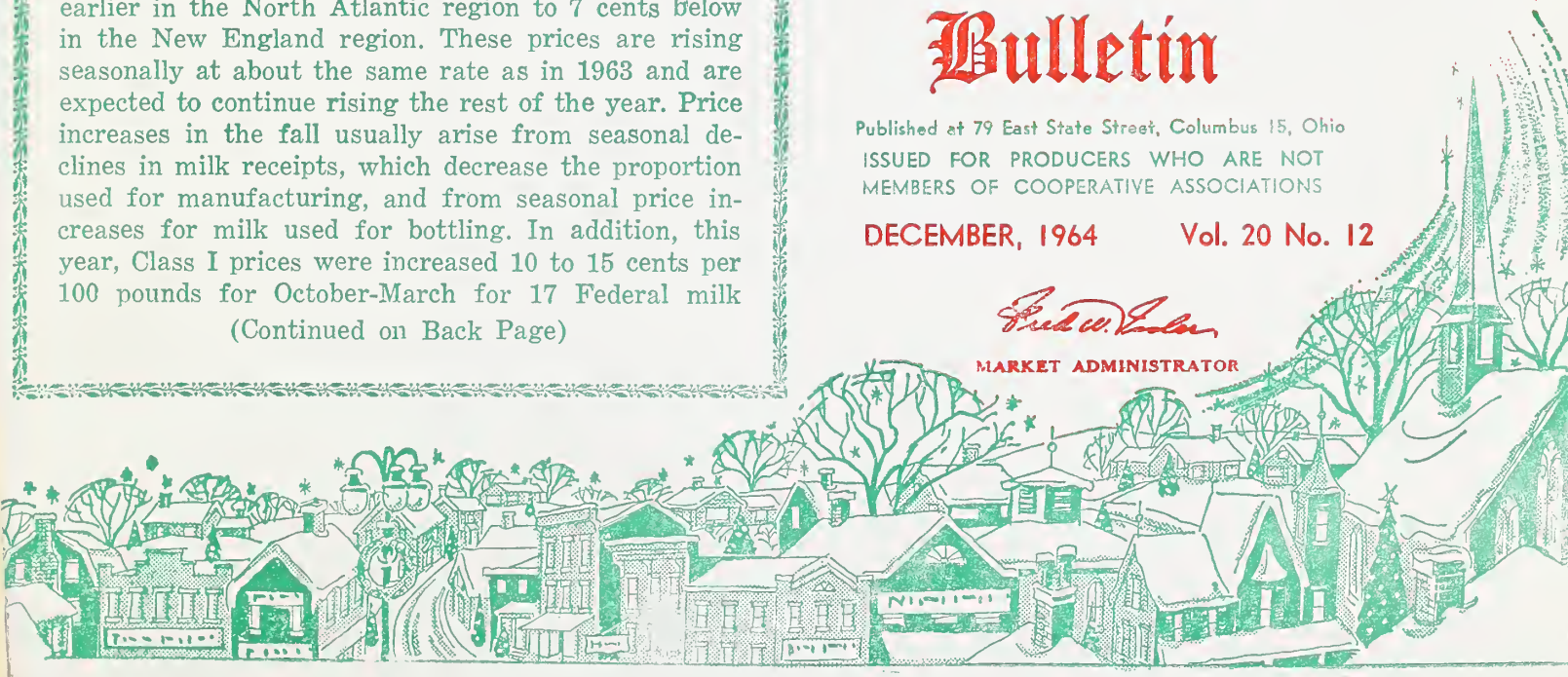
The price to farmers for all milk at wholesale averaged \$4.06 per 100 pounds for the first 9 months of 1964, about 5 cents above a year earlier. For the entire year 1964, prices will average about \$4.14 per 100 pounds compared with \$4.10 in 1963. In September, the average prices farmers received for all wholesale milk ranged from 8 cents per 100 pounds above a year earlier in the North Atlantic region to 7 cents below in the New England region. These prices are rising seasonally at about the same rate as in 1963 and are expected to continue rising the rest of the year. Price increases in the fall usually arise from seasonal declines in milk receipts, which decrease the proportion used for manufacturing, and from seasonal price increases for milk used for bottling. In addition, this year, Class I prices were increased 10 to 15 cents per 100 pounds for October-March for 17 Federal milk (Continued on Back Page)

Market Administrator's Bulletin

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Frank W. Linder
MARKET ADMINISTRATOR





Columbus

MARKET FACTS FOR EASY REFERENCE

PRICE SUMMARY

Producers' Uniform Price (3.5%)	.....
Class I (3.5%)	.....
Class II (3.5%)	.....
Class III (3.5%)	.....
Class IV (3.5%)	.....
Producer Butterfat Differential for each one-tenth percent	.....

UTILIZATION SUMMARY

Percent of Producer Milk in Class I	.....
Percent of Producer Butterfat in Class I	.....
Percent of Producer Milk in Class II	.....
Percent of Producer Butterfat in Class II	.....
Percent of Producer Milk in Class III	.....
Percent of Producer Butterfat in Class III	.....
Percent of Producer Milk in Class IV	.....
Percent of Producer Butterfat in Class IV	.....

PRODUCER MILK RECEIPTS

Total Pounds of Producer Milk Delivered	.....
Average Daily Class I Producer Milk	.....
Total Number of Producers	.....
Average Daily Receipts per Producer	.....
Average Butterfat Test	.....
Total Value of Producers Milk at Test	.....
Income per Producer (7 day average)	.....

GROSS CLASS USE (Pounds)

Class I Skim	.....
Class I Butterfat	.....
Class I Milk	.....
Class II Skim	.....
Class II Butterfat	.....
Class II Milk	.....

AVERAGE DAILY SALES (Quarts)

Milk	.....
Buttermilk	.....
Chocolate	.....
Skim	.....
Cream	.....

Nov. 1964	Oct. 1964	Nov. 1963
\$4.70	\$4.74	\$4.73
4.62	4.59	4.46
3.29	3.24	4.044
—	—	3.736
—	—	3.084
7.7¢	7.8¢	7.5¢
84.2	89.9	83.0
78.5	85.5	77.2
15.8	10.1	7.3
21.5	14.5	2.4
—	—	2.0
—	—	2.9
—	—	7.7
—	—	17.5
42,429,124	43,168,771	36,416,781
1,414,304	1,277,740	1,007,564
1,686	1,686	1,369
838	825	887
3.86	3.78	3.86
\$1,984,996	\$2,011,479	\$1,654,948
\$274	\$269	\$282
35,095,840	38,186,056	29,141,112
1,312,308	1,423,880	1,085,793
36,408,148	39,609,936	30,226,905
7,877,479	6,129,987	2,637,391
358,608	245,377	32,916
8,236,087	6,375,364	2,670,307
440,114	469,131	344,142
6,012	6,586	4,588
30,215	34,778	16,748
13,352	14,611	12,137
10,746	10,771	9,307

Area Extended Effective May 1, 1964

COMPARATIVE STATISTICS

COLUMBUS MARKETING AREA

Nov., 1955 - '64

Year	Receipts From Producers	Average Butter- fat Test	Percentage of Producer Milk in Each Class				Uniform Producer Price (3.5%)	Class Prices at 3.5%				Number of Producers	Daily Average Production
			Class I	Class II	Class III	Class IV		Class I	Class II	Class III	Class IV		
1955	22,266,699	3.99	81.2	9.1	3.9	5.8	4.12	4.257	3.857	3.857	3.168	2,106	352
1956	23,100,784	3.90	83.6	8.8	3.6	4.0	4.40	4.537	4.137	4.137	3.321	1,998	385
1957	23,847,569	3.92	85.3	7.8	2.9	4.0	4.37	4.504	4.104	4.004	3.081	1,882	422
1958	23,091,764	3.89	88.1	7.9	1.3	2.7	4.37	4.434	4.034	3.934	2.887	1,729	445
1959	25,350,698	4.00	90.6	6.6	1.3	1.5	5.11	4.696	4.296	3.927	3.228	1,693	499
1960	27,083,211	3.94	85.9	6.7	1.5	5.9	4.94	4.611	4.211	4.004	3.135	1,566	577
1961	29,409,401	3.91	82.2	6.7	2.2	8.9	4.77	4.505	4.105	3.876	3.250	1,312	747
1962	34,279,707	3.89	78.4	6.4	2.4	12.8	4.50	4.28	3.861	3.665	3.039	1,336	855
1963	36,416,781	3.86	83.0	7.3	2.0	7.7	4.73	4.46	4.044	3.736	3.084	1,369	887
1964	42,429,124	3.86	84.2	15.8	—	—	4.70	4.62	3.29	—	—	1,686	838

Output Per Cow Continues to Increase

The Dairy Situation, Economic Research Service USDA, November 1964

Milk production per cow in 1964 is expected to be above 7,800 pounds, up near 3½ percent from 1963, compared with the 3.1 percent average annual gain during 1954-63. In 1965, milk production per cow is likely to surpass 8,000. Except for the World War II period, output has increased consistently since 1934. Better breeding, feeding, and management, which accompanied the shift from sideline dairying to specialized dairy operation, have helped increase milk per cow.

Output per cow the first 9 months of 1964 was 6.027 pounds, 3.9 percent above a year earlier. So far this year, output per cow is continuing a long-established trend toward more uniform seasonal production. Production in the normal peak months, May-July 1964 was relatively lower than in earlier years. In the 1935-39 period, peak production (May-July) exceeded low-period production (October-December) by 41 percent. In contrast, during 1959-63, the peak period production was only 22 percent above the low period production.

Substantial increases in milk output per cow are still possible. Individual cows have produced several times the 1964 average, and a number of specialized dairy herds average more than 15,000 pounds per cow. In the 1962-63 testing year, average production for all cows within Dairy Herd Improvement Associations was 11,286 pounds, about 50 percent above the U.S. average for

all cows. Among States, California showed the highest average for all cows in 1963, 10,410 pounds per cow.

Improvement in feeding and management have accompanied those in breeding. The amount of concentrates fed has increased substantially from 1,456 pounds per cow in 1944 to 2,706 pounds in 1963 on farms where milk or cream was sold. The total for 1964 will likely be higher, in line with the trend. Better management has led to shorter periods between lactation, better disease control, and other practices which have increased production.

Disease-control programs have brought about a continued decline in reacting animals. Cattle in all counties in the United States have been tested for tuberculosis since 1917. For the U.S. as a whole reactors were 0.1 percent of all cattle tested in the year ending June 30, 1964. In the 1963-64 fiscal year, herd reactions on the brucellosis ring test were only 1 percent of all tests, compared with 26 percent in 1953-54.

Federal and State agricultural agencies, DHIA, and artificial insemination groups have cooperated to make improved breeding stock available to dairy farms. In 1963, about 6½ million dairy cows, or about 35 percent of all milk cows, were bred artificially using semen from dairy bulls. The percentage of cows kept for milk that are bred artificially has been increasing for many years.

Feed Grain Supply Down 14 Million Tons

The Feed Situation, Economic Research Service USDA, November 1964

The 1964-65 feed grain supply was estimated at 206 million tons, based on October indications, 14 million below a year earlier and 12 million below the 1958-62 average. The 1964 crop, put at 137 million tons, is down 19 million from 1963. But partly offsetting was a 5-million-ton increase in carry-over stocks to 69 million tons.

Smaller production this year results from lower acreage and yields. The planted acreage of each feed grain was reduced from last year — corn down 4 percent, oats 7 percent, barley 11 percent and sorghum 4 percent. The acreage to be harvested is estimated at 101.6 million acres, 6 million less than in 1963. Yield per acre for the 4 feed grains was down 7 percent from the record high in 1963, the first decline since 1954.

Domestic use of feed grains has declined during the past 2 years, after the sharp rise from 1956-57 to 1961-62. In 1963-64, domestic use was 133 million tons, slightly less than the year before. Exports, however, increased nearly 2 million tons to a record high of 18.7 million tons, bringing total utilization to 151 million tons. Based on current prospects, 1964-65 domestic use is expected to decline slightly and exports may about equal the 18.7 million tons of 1963-64. This would mean that carry-over into 1965-66 would be reduced to around 58 million tons, 11 million below the carryover into 1964-65.

PRICES TO PRODUCERS IN 1965 LIKELY NEAR 1964 LEVELS . . . (Continued from Front Page)

orders, primarily in the South Central region. This was done because drought conditions caused short supplies relative to fluid sales. Hearings regarding emergency price increases have been scheduled in 4 additional markets.

Prices paid by dealers for milk used in bottling (Class I milk) during January-October 1964 averaged \$5.31 per 100 pounds compared with \$5.27 for the same period a year earlier. However, October prices averaged about the same as a year ago.

The price to farmers for milkfat is likely to average about 59 cents per pound in 1964. In 1961 and 1964 the price received by farmers for milkfat in farm-separated cream was lower in relation to prices received for manufacturing grade milk than previously. This lower level probably resulted from the further increase in the proportion of butter made from plant separated cream. Farm-separated cream tends to be of lower quality than plant-separated cream and may lower the average quality of a plant's butter if not handled separately.

For 1964 the prices paid to farmers for manufacturing grade milk

will average about \$3.25 per 100 pounds, 4 cents above 1963. This year through September, monthly prices have ranged from 2 to 7 cents per 100 pounds above a year earlier. Actual monthly prices for manufacturing grade milk this year, adjusted to last year's annual average fat test ranged from \$3.24 per 100 pounds in April and June to \$3.31 in February and September.

The seasonal improvement in the supply-demand situation showed in the price rise for butter. In September, wholesale butter prices in New York and Chicago were about 3½ cents above CCC purchase prices. Nonfat dry milk wholesale prices were slightly above a year earlier, and Cheddar cheese prices rose about 2 cents above a year earlier.

Milk-feed price relationships are

likely to be less favorable to increased milk production in 1965 than they were in 1964. However, the relationship will still be favorable compared with longtime averages. The amount of grain and concentrates fed per 100 pounds of milk produced continues to trend upward. The 1963 level was 35.1 pounds, and the 1964 level may reach 36.0 pounds.

In 1965, milk prices compared with those of other livestock products, probably will continue somewhat more favorable to milk production than in 1962 and the first half of 1963. This year, through September, the manufacturing milk-beef cattle price ratio averaged 0.18. This is the most favorable milk-beef price ratio since 1957. However, relatively unfavorable pasture conditions curtailed milk flow in mid-1964.



Market Quotations

NOVEMBER
1964

MINNESOTA - WISCONSIN PRICE SERIES	\$3.29
MIDWEST CONDENSERIES 3.5% per Cwt.	3.202
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Columbus)	3.205
Average Price per lb. 92-score butter at Chicago	.6227
Average carlot prices non-fat dry milk solids	
roller and spray process, f.o.b. manufacturing plant	.1423



Market Administrator's BULLETIN



Holiday
Greetings



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79 East State Street
COLUMBUS, OHIO

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